



Title: I, Payroll/Personnel Manual

Chapter: 28, Section 2, Tax Formulas (TAXES)

Bulletin: TAXES 05-30, Idaho State Income Tax Withholding

Date: July 1, 2005

To: Holders of TAXES (State of Idaho only)
Personnel User Groups
T&A Contact Points in Idaho

Beginning with wages paid for Pay Period 13, the National Finance Center (NFC) will make the following changes to the state of Idaho income tax withholdings:

- The exemption allowance will increase from \$3,100 to \$3,200.
- The Single and Married withholding tables will change.
- The nontaxable flexible spending accounts (health care and dependent care) deductions statement will be added to step 2 on the state tax formula.

No action on the part of the employee or the personnel office is necessary.

To view the updated tax formula, go to NFC's Home Page (www.nfc.usda.gov) and click **Pubs & Forms**. Then on the Pubs & Forms page left-hand menu, click **Tax Formulas** and select the appropriate state from the map provided. Changes to the tax formula are identified by "►◄".

For questions about NFC processing, contact the Payroll Operations Branch at **504-255-4630**. Please refer questions about system access and other system-related issues to Customer Support at **504-255-5230** or via e-mail at customer.support@usda.gov.

MARK J. HAZUDA, Director
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Idaho State Income Tax Information

State Abbreviation:	ID
State Tax Withholding State Code:	16
Acceptable Exemption Form:	W-4
Basis For Withholding:	State or Federal Exemptions
Acceptable Exemption Data:	S, M / Number of Exemptions
TSP Deferred:	Yes
Special Coding:	None
Additional Information:	If a state income tax certificate has not been processed or if a valid state exemption code is not present, the Federal exemptions will be used in the computation of state tax.

Withholding Formula ►(Effective Pay Period 13, 2005)◄

1. Subtract the nontaxable biweekly Thrift Savings Plan contribution from the gross biweekly wages.
2. Subtract the nontaxable biweekly Federal Health Benefits Plan payment(s) ►(includes flexible spending account - health care and dependent care deductions)◄ from the amount computed in step 1.
3. Add the taxable biweekly fringe benefits (taxable life insurance, etc.) to the amount computed in step 2 to obtain the adjusted gross biweekly wages.
4. Multiply the adjusted gross biweekly wages times 26 to obtain the annual wages.
5. Determine the exemption allowance by applying the following guideline and subtract this amount from the annual wages to compute the taxable income.

$$\text{Exemption Allowance} = \text{►\$3,200◄} \times \text{Number of Exemptions}$$

6. Apply the taxable income computed in step 5 to the following table to determine the annual Idaho tax withholding.

Tax Withholding Table

Single

If the Amount of Taxable Income Is:		The Amount of Idaho Tax Withholding Should Be:			
Over:	But Not Over:				
\$ 0	\$ ►1,800	\$ 0.00	plus	0.0%	\$ 0
1,800	2,959	0.00	plus	1.6%	1,800
2,959	4,118	19.00	plus	3.6%	2,959
4,118	5,277	61.00	plus	4.1%	4,118
5,277	6,436	109.00	plus	5.1%	5,277
6,436	7,594	168.00	plus	6.1%	6,436
7,594	10,492	239.00	plus	7.1%	7,594
10,492	24,978	445.00	plus	7.4%	10,492
24,978	and over	1,517.00	plus	7.8%	24,978◄

Married

**If the Amount of
Taxable Income Is:**

**The Amount of Idaho
Tax Withholding Should Be:**

Over:	But Not Over:				Of Excess Over:
\$ 0	\$ ▶6,800	\$ 0.00	plus	0.0%	\$ 0
6,800	9,118	0.00	plus	1.6%	6,800
9,118	11,436	37.00	plus	3.6%	9,118
11,436	13,754	120.00	plus	4.1%	11,436
13,754	16,072	215.00	plus	5.1%	13,754
16,072	18,388	333.00	plus	6.1%	16,072
18,388	24,184	474.00	plus	7.1%	18,388
24,184	53,156	886.00	plus	7.4%	24,184
53,156	and over	3,030.00	plus	7.8%	53,156◀

7. Divide the annual Idaho tax withholding by 26 and round to the nearest dollar to obtain the biweekly Idaho tax withholding.